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ne or by the Senator from New York, ut the Senate should approve a clear, ffective, and adequate, statement of our olicy in support of the conference and f the President.

Mr. JAVITS. Mr. President, I am extremely grateful to the Senator from Kentucky for his support and for his onfirmation, because I consider him one f the really luminous minds in the Sen- te on the proposition that I have laid efore the Senate.

I think we can sum it up by saying hat the President is going to Punta del Este and we want him to succeed. I elieve that he would be more likely to succeed if he were to have a statement f what the majority of Congress wants.

I say, therefore, let us give him that tatement or, at least, let us have the hance to find out what the majority wants.

The President would be far better off ith a statement of what the majority ants than he would be if he were to go ere emptyhanded as far as the Sen- te is concerned, and try to fly to Punta el Este on one wing—the resolution assed by the House of Representatives.

I hope the President stands up to the ssue now.

I say to the President: "Mr. President, his is the time to have it out, not when ou come back with a deal that can blow p in your face. You might as well now where you are now, and this is he way in which to find out."

This is the path that the President riginally took. He is too experienced -man in parliamentary affairs to as- ume that his resolution was going to de through without challenge. The President was right in the first place.

do not think that he would be right if e were to drop his suggestion. I do not hink that it would be ethical or proper o force his hand.

JOINT ECONOMIC COMMITTEE HEARINGS ON THE ECONOMY OF COMMUNIST CHINA

Mr. JAVITS. Mr. President, I call the tention of the Senate to the fact that -series of hearings opened this morning efore the Joint Economic Committee. These hearings are of the most porten- ous character. They deal with the -onomy of Communist China. This is he basis on which such strength as Com- nunist China has must rest.

Mr. President, I am of the opinion— nd my opinion was borne out this morning by a very distinguished au- thority, our former Ambassador to -apan, Edwin O. Reischauer, now Pro- fessor Reischauer—that a totally new di- ction in American foreign policy is re- quired with respect to Communist China; -hat those responsible for making the J.S. policy are a long way from the con- clusion which the studies which we have o far made indicate, and which Amba- -ador Reischauer's testimony indi- cates—that is, that we must find a way o bring Communist China into the com- munity of nations before some atomic -olocaust; that our time is much shorter -han we think; that our time is much shorter than it will take Communist

China to become a first-class economic power; that her nuclear capability, her population, the land mass she occupies, and the sheer weight of the Communist Chinese as a nation and as a people are such that the timetable is very materi- ally accelerated, though her becoming a first-class industrial or economic power may be considerably deferred.

Mr. President, I had the honor to sug- gest that this matter be inquired into, and the then chairman of the Joint Eco- nomic Committee, Representative PAT- MAN, very graciously took up that sug- gestion, as did the committee. The sug- gestion has now been followed through with a two-volume report prepared for the Joint Economic Committee—a splen- did report before us, before the Senate, and before the Nation.

The hearings opened this morning, and this could represent a portentous begin- ning for a revision in the U.S. policy with respect to Communist China. Our policy has been static; it has been frozen; and it is urgently necessary that we antici- pate the new relationship which is pos- sible between Communist China and the world, rather than continue just to as- sume that the old will remain as it is, because it is a festering sore and will not remain that way, as we understand in Vietnam and as we have understood be- fore in other parts of the world.

I urge Senators to take an interest in these hearings, to acquaint themselves with the volumes which have been pro- duced by the staff.

I ask unanimous consent that the statement of Edwin O. Reischauer, made before the Joint Economic Committee this morning, together with a brief state- ment made by me in connection with the hearings, be printed in the Record as part of my remarks.

There being no objection, the state- ments were ordered to be printed in the Record, as follows:

STATEMENT BY EDWIN O. REISCHAUER BEFORE THE JOINT ECONOMIC COMMITTEE OF THE CONGRESS OF THE UNITED STATES, APRIL 5, 1967

It is a privilege to appear before this dis- tinguished committee, though I first must disclaim being either a China watcher or an economist. I shall attempt, however, from my background as a student of Chinese his- tory and an observer of the East Asian scene from Japan, as well as from the United States, to respond to the specific tasks your chairman has set me. These are to try to judge how China, as an economic unit, fits into the economic world, and to evaluate some of the premises upon which United States-China trade policy is based and what some of the collateral effects of this policy may be upon our allies in other parts of the world.

First let me say that I was very much impressed with the "Economic Profile of Mainland China," which was published a few weeks ago under the auspices of this com- mittee, and I see no reason to differ with its major conclusions. At best, it presents a picture of relatively slow economic growth in Mainland China since 1958 and holds out prospects for only modest progress in the next several years.

All that I could add to this picture is the additional somber comment that the political gyrations of the past year have probably fur- ther darkened Mainland China's economic prospects. Direct economic consequences are not yet very apparent, as yet, in the loss

of a huge number of man days from work and in some disruption of transportation, but there may be more serious long-range repercussions. The whole system of gov- ernment and party administration has ob- viously been disrupted and weakened; mid- dle-level leadership in factories and com- munes, as elsewhere in society, must have been seriously shaken and possibly frighten- ed in cautious inaction; the better part of a year of schooling has been lost, which is a tragic matter in a country already low in technical skills; and disillusionment, which might follow the youthful euphoria of the Red Guard antics, could have a debilitating effect on millions of young Chinese.

It should always be remembered that the great capacity for hard work on the part of the Chinese people, their eagerness for learn- ing, and their tremendous organizational abilities make Mainland China a land with a great economic potential. Its economic sta- tion today, however, and its immediate prospects are considerably less favorable than was expected by Americans a decade ago. The Sino-Soviet split is one major reason for this, and China's mediocre economic record of the past nine years another.

While Mainland China has been making little progress, many of the countries around her have surged ahead rapidly. Japan has more than doubled its productivity during the past decade, and its 100 million people now produce considerably more wealth than the 700 million Mainland Chinese. As a re- sult, China has become a relatively smaller economic factor in the world than it was nine years ago, and it is not likely to grow more rapidly than the world average in the near future. At the same time, its prestige has dropped greatly and with it Peking's po- litical influence.

In 1959 Mainland China's foreign trade was estimated at \$4.3 billion, but today it is still below that level. Japanese newspaper sources put it at \$4.16 billion in 1966. Thus it is not more than a quarter of the foreign trade of Japan alone. This gives Mainland China little economic leverage on countries it might wish to influence. The relatively expensive foodstuffs China exports in ex- change for cheaper food imports from the West have no great appeal to other less- developed lands. The textiles and other light consumer goods Peking can also export in quantity are running into increasingly stiffer competition, because these are exactly the manufactured goods other less-developed areas can best produce, and some of them, such as Taiwan, Korea and Hong Kong, can do so much better than Mainland China.

Some people have expressed fear that the rapid upsurge of trade between Mainland China and Japan could have an adverse po- litical effect on the latter. This seems high- ly improbable. While Japan is China's largest trading partner, absorbing 15 per- cent of its total trade, China accounts for only about 3½ percent of Japan's foreign trade, contending with a number of other countries for a very poor second place after the 29 percent of Japan's trade that it does with us. In the 1950's, when the economic balance between Mainland China and Japan was less unfavorable to the latter, there may have been some reason for fears that a large trade with China might have an adverse political effect on Japan. Even then, how- ever, when Peking tried in 1958 to use the sudden stoppage of trade with Japan as political weapon, the strategy backfired. Today with Japan far more affluent, more stable and stronger than it was a decade ago, and Mainland China if anything weaker, the political influence of trade between the two could only flow one way, and that is toward China.

A natural question is whether American trade policy toward Mainland China has had much to do with the latter's poor eco- nomic showing. It is very hard to believe